



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item number: 4g

Title: Recommendation to approve a proposal for consulting services from HVS Convention, Sports & Entertainment Facilities Consulting for an Economic Impact and Cost-Benefit Analysis of the Fox River Corridor Master Plan.

Presenter: Rita Tungare, Community & Economic Development Director

Meeting: Planning & Development Committee

Date: October 8, 2018

Proposed Cost: \$72,000 plus max. \$5,500 out-of-pocket expenses

Budgeted Amount: \$400,000 for the Active River Preliminary Engineering

Not Budgeted:

In May 2018, the City issued a Request for qualifications (RFQ) from professional consultants to assist with conducting an economic impact analysis for attraction improvements outlined in the 2015 updated Fox River Master Plan. City Council had expressed a strong interest in understanding through an economic and cost-benefit analysis what the return on investment would be, before committing to preliminary engineering design work for the Active Fox River project.

The City received three responses to the RFQ and conducted interviews with all 3 consultants. St. Charles Park District staff participated in a review of the responses as well as in the interview process.

Based on the methodology and approach and an understanding of the firm’s professional reputation and experience with other similar projects, staff recommends engaging HVS Convention, Sports and Entertainment Facilities Consulting.

Tom Hazinski, Managing Director of HVS will be present at the meeting to give a presentation of their proposal and to respond to questions from the Committee. The estimated timeline from contract to completion of the study is 12 to 14 weeks.

Attachments *(please list):*

Proposal from HVS

Economic Impact and Cost Benefit Analysis from HVS

Recommendation/Suggested Action *(briefly explain):*

Recommendation to approve a proposal for consulting services from HVS Convention, Sports & Entertainment Facilities Consulting for an Economic Impact and Cost-Benefit Analysis of the Fox River Corridor Master Plan. If recommended for approval, a formal contract will be placed on an upcoming City Council meeting for approval and execution.



PROPOSAL TO PROVIDE CONSULTING SERVICES

Economic Impact and Cost-Benefit Analysis

ST. CHARLES, ILLINOIS



SUBMITTED BY:
HVS CONVENTION, SPORTS & ENTERTAINMENT FACILITIES CONSULTING
205 WEST RANDOLPH, SUITE 1650
CHICAGO, IL 60606
312-587-9900

WWW.HVS.COM



Convention, Sports & Entertainment
Facilities Consulting
Chicago, Illinois

205 West Randolph
Suite 1650
Chicago, Illinois 60606
+1 312-587-9900
+1 312-488-3631 FAX
www.hvs.com

June 18, 2018

Rita Tungare, AICP
City of St. Charles
Two East Main Street
St. Charles, IL 60174
630-377-4400
rtungare@stcharlesil.gov

Re: Request for Qualifications
Economic Impact and Cost-Benefit Analysis

Dear Ms. Tungare,

HVS Convention, Sports & Entertainment Facilities Consulting (“HVS”) is pleased to present this proposal to provide an Economic Impact and Cost-Benefit Analysis of visitor attractions along the Fox River in St. Charles, Illinois.

HVS is the largest hospitality consulting firm in the world and brings extensive experience in analyzing hospitality developments and tourism attractions and clearly articulating our findings and recommendations to decision makers.

Because of our extensive experience in working with public-sector owners of various types of attractions and venues, we can clearly articulate our recommendations to decision makers. Our principals have advanced degrees in public policy analysis, as well as experience serving in state and local government. HVS brings a unique understanding of the public policy decision-making process to each of our public-sector engagements.

On behalf of our team, we are excited about this important project, and we look forward to hearing from you.

Very truly yours,

A handwritten signature in black ink that reads "Thomas Hazinski". The signature is written in a cursive, flowing style.

Thomas Hazinski, Managing Director
HVS Convention, Sports & Entertainment Facilities Consulting
thazinski@hvs.com

Table of Contents

Economic Impact and Cost-Benefit Analysis Proposal

We have organized our response in the following sections.

1. Firm Description
2. Approach and Methodology
3. Timeline
4. Fees
5. Additional Information

1. Firm Description

Tom Hazinski will serve as the main contact for our firm regarding this submittal:

Thomas Hazinski, Managing Director
HVS Convention, Sports & Entertainment Facilities Consulting
205 West Randolph, Suite 1650
Chicago, IL 60606
Phone: 312-587-9900
Email: thazinski@hvs.com

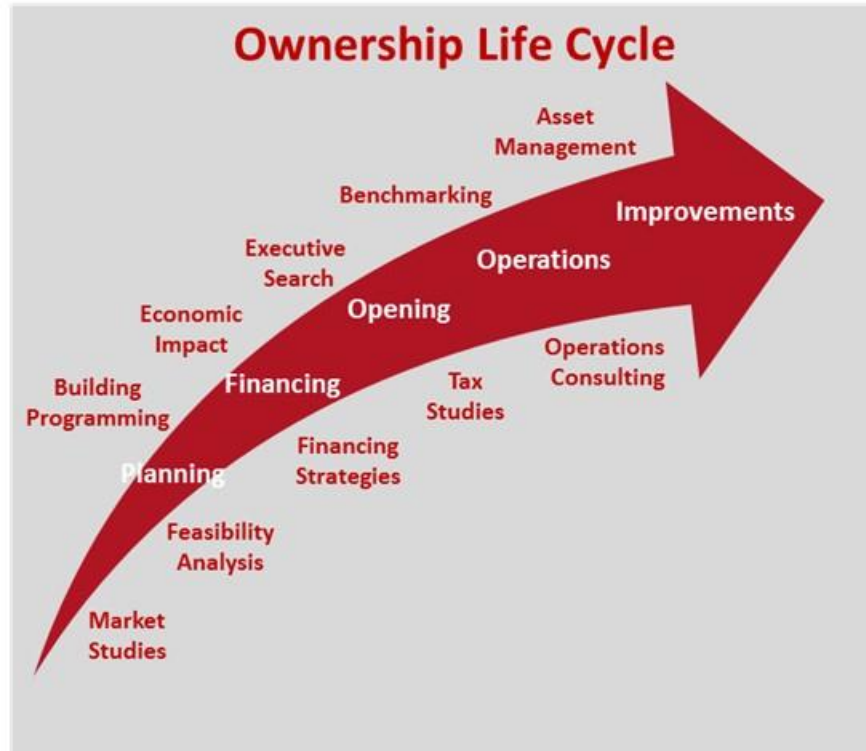
HVS Firm History

Since 1980, HVS, the leading global hospitality consulting organization, has provided financial and valuation consulting services for over 35,000 assignments throughout the world for nearly every major industry participant. Our professional staff of more than 450 industry specialists offers a wide range of services, including market feasibility studies, valuations, strategic analyses, impact studies, advisory and development planning, and litigation support. With over 51 offices in 13 countries, we offer one of the most comprehensive knowledge bases in the industry. Last year alone, HVS completed more than 3,000 feasibility studies, appraisals, and consulting engagements. HVS is respected worldwide by developers, underwriters, operators, and investors. We operate independently as consultants and have no ownership in any venues.

By engaging HVS for this assignment, you will benefit from access to some of the most experienced hospitality consultants in the industry and the industry's most comprehensive databases. Our reputation among investors, bankers, rating agencies, developers, and public officials is extremely important to us and ensures that we pay close attention to each engagement we accept. HVS offer a wide range of skills and experience in the analysis of a variety of land uses including hotels, convention and conference centers, civic and event centers, water parks, entertainment and arts centers, sports facilities, restaurants, casinos, and other land uses related to hospitality and tourism.

HVS Convention, Sports & Entertainment Facilities Consulting

Since 2001, HVS has served public and private owners of convention, sports and entertainment facilities. We have completed hundreds of assignments throughout the world analyzing the feasibility of convention and conference facilities, event and performing arts centers, hotels, water parks, mixed-use hospitality developments, civic centers, sports facilities, tourism attractions, and other public assembly facilities. We serve owners through the life-cycle of public facilities ownership from the project inception and throughout their operation and ongoing improvement.



We have performed numerous market, operational, feasibility, and economic impact studies of public assembly projects. Our studies often appear in municipal bond offering statements, and our staff has presented these studies to rating agencies, bond insurers, and investors. As a global hospitality consulting firm, HVS has many resources at its disposal that our competitors lack.

Objective Advice to the Public Sector

HVS prides itself on providing public sector clients with analysis and recommendations designed to result in the most efficient use of public resources. We regularly recommend against projects and suggest modifications to prior assumptions whenever necessary. The HVS team regularly works for municipal clients - approximately 90 percent of our work is conducted for public-sector clients.

Public Input Process

The HVS team regularly works for municipal clients and tourism agencies providing analysis of public assembly facilities. Many of our projects require our team to assist the community in consensus building and providing a public process to include multiple stakeholders in the decision-making process. Our team members have led a variety of public meetings with stakeholders. We commit to work with closely with the leaders and stakeholders in Kissimmee to ensure our recommendations reflect the local community.

KEY STAFF

The following HVS staff assigned to this project bring the mix of market knowledge, industry experience, and analytical skills needed for the assignment.

Thomas Hazinski



Thomas A. Hazinski, Managing Director of HVS Convention, Sports & Entertainment, has over 20 years of experience in the public policy arena as a public official and as a consultant. He specializes in providing economic and financial research to public agencies and private developers involved in economic development initiatives. For the past fifteen years, Tom has specialized in the analysis of convention, sports, and entertainment markets and associated real estate developments. In January 2001, he started the Chicago office of HVS as its Managing Director. Tom holds a Masters Degree in Public Policy from the Harris School of Public Policy at the University of Chicago, where he specialized in municipal finance. He completed four years in the post-graduate degree program, including doctoral course-work, before leaving to pursue active management. Tom's first employment in the public sector was with the Chicago Park District, where he created a "Revenue Estimates Book" which is still used today. He also worked for the City of Chicago's revenue estimation department. Tom has managed over 400 assignments related to the analysis of public assembly facilities. He has studied mixed-use developments with tourism attractions in New Orleans, Chicago, Loveland, Colorado, and Eastern Kentucky. He assisted the City of Madison, Wisconsin in evaluating development proposals for Judge Doyle Square, a two-block site in the central business district. He has also provided feasibility analysis for mixed-use hospitality developments in Cicero, Illinois; Edmonton, Alberta; and Joliet, Illinois. He led the firm's work for youth sports complexes in Overland Park, Lee's Summit, Jacksonville, and St. Louis County. He has also led the work for outdoor sports facilities in Evanston, IL, Raleigh, San Antonio, and Cleveland.

Tom would serve as principal consultant.

Catherine Sarrett



Catherine Sarrett is a Senior Director with HVS Convention, Sports & Entertainment and performs market analysis and feasibility studies for convention, conference, sports, and entertainment facilities. Cathy has spent over 15 years in the convention, sports and entertainment field as a consultant, financial analyst, and owner's representative during design and construction. Cathy has performed the feasibility analysis for youth sports complexes in St. Louis County and Lee's Summit, Missouri, Fishkill and Verona, New York, Wichita, Kansas, and Jacksonville. Cathy has studied mixed-use recreational and entertainment developments in Loveland and Colorado Springs, CO; Fishkill, NY; Evanston, IL; San Antonio, TX; St. Louis County, MO; Milwaukee, WI; Lloydminster, Alberta; and Verona, NY. Cathy also served as the owner's Senior Director for the design and development of the Wells Fargo Center in Philadelphia, PA. Cathy received her Bachelor of Science in Civil Engineering from Duke University and

spent several years as a structural engineer before entering the Wharton School of the University of Pennsylvania where she received her Master's of Business Administration in Finance Marketing.

Cathy would serve as feasibility consultant.

Alex Moon



Alex Moon is an Associate at HVS Convention, Sports & Entertainment. He provides research support for senior HVS staff in the performance of market, feasibility, tax, and impact studies. Alex earned his Bachelor of Arts in Mathematics, Economics, and Mathematical Methods in the Social Sciences (MMSS) from Northwestern University. He recently provided economic and fiscal impact analysis for the Broward County Convention Center and proposed headquarters hotel, the development of new convention center in Albany, New York, and the impact of the proposed National Museum of African American Music in Nashville. He analyzed the economic impacts of hotel and conference centers in Allen, Texas, Port Sanilac, Michigan, and Cedar Hill, Texas. He provided the impact analysis for a large mixed-use resort development in Honolulu County, Hawaii and assessed the impacts of the Duke Energy Center for the Performing Arts in Raleigh, North Carolina. He also conducts the firm's annual economic impact analysis of the Phoenix Convention Center, which is an annual contract through 2018.

Alex would serve as analyst.

Jorge Cotte



Jorge Cotte is an Associate at HVS Convention, Sports & Entertainment. He provides research support for senior HVS staff in the performance of market, feasibility, tax, and impact studies. Jorge earned his Bachelor of Arts in Economics from the University of Chicago. He recently provided research and analysis for various tourism attractions in Loveland, Colorado, a mixed-use tourism development in Madrid, Spain, and event and meeting space for Hubbard Street Dance Company in Chicago. He also assisted with analysis of a waterpark development in Marbella, Spain, a mixed-use entertainment development in Muskegon, Michigan, and tourism developments in Shiller Park, Illinois.

Jorge would serve as analyst.

SIMILAR PROJECT EXPERIENCE

Loveland, CO Tourism Opportunities Assessment



While each HVS consulting engagement presents unique challenges, many of our assignments are similar to the study requested by the City of St. Charles. Following are some examples of our relevant work.

The State of Colorado Regional Tourism Act (“RTA”) creates a funding mechanism to help local governments to undertake large-scale regional tourism projects. To qualify for this state program, local governments must demonstrate that the projects: 1) are extraordinary and unique, 2) would generate a significant increase in out-of-state tourism, 3) generate substantial sales tax revenue, and 4) would not occur without the use of State Sales Tax Incremental Revenues. The City of Loveland, Town of Windsor and Larimer County, Colorado joined together to create and support an RTA application to the Colorado Economic Development Commission. These entities have contracted with a private 501(c)3 non-profit, Go NoCO, to lead the application process. Go NoCO engaged HVS Convention, Sports & Entertainment to conduct market analyses of various projects included in their RTA application. In our role as an independent consultant to Go NoCO, HVS provided research and analyses of six tourism projects including hotel, visitor attraction, sports venues, and a whitewater attraction. For each of the projects under consideration, HVS 1) estimated the amounts of out-of-state visitation generated by the proposed tourism developments, and 2) analyzed whether the projects would be feasible in the absence of RTA financial assistance and other potential public incentives.

Kentucky Tourism Assessment



The Kentucky Chamber of Commerce Foundation engaged HVS to conduct a tourism assessment of southeastern Kentucky. The Chamber wanted to understand the existing tourism amenities and evaluate the potential of a new destination resort and other potential attractions. HVS assessed the local market and existing tourism amenities and gathered data on tourism and travel trends for the Eastern Kentucky region. We assessed six comparable destination resorts and four comparable tourism-based communities and evaluated demand and room night projections and recommended a program for a proposed resort facility in the Kentucky region. Our analysis also included evaluation of other potential visitor attractions and entertainment land uses that would complement the proposed resort and we prepared program recommendations and demand/attendance projections. Our analysis also evaluated and compared three sites for their suitability for recommended resort and identified potential funding sources for the development.

**Ottawa, Illinois
Tourism Opportunities
Comprehensive Plan**



HVS and Ginkgo Planning & Design was hired by the City of Ottawa to update their current comprehensive and downtown plans. The current comprehensive plan, adopted in June 2002, provided an overall land use plan and guide for future growth and development. Our team is considering specific locations for particular uses and updated the future land use map and added additional detailed sub-area plans for key redevelopment locations. Downtown Ottawa is the driver of the community and the 2008 flooding event affected its economic viability. With the city's acquisition of key parcels in the downtown, the city needed a detailed physical plan to address site specific strategies, market feasibility, parking needs and locations, and general traffic flow. HVS provided analysis of Ottawa as a tourist destination, identifying additional tourism opportunities, and determining potential uses and types of venues/attractions that might be appropriate for the Downtown Waterfront Redevelopment Area. In 2016, the project received the 2016 Daniel Burnham Award for Outstanding Comprehensive Plan from the American Planning Association Illinois Chapter.

**Route 53 Corridor,
Illinois
Route 53 Tourism Plan**



HVS Convention, Sports, & Entertainment was recently hired as part of a multi-disciplined team to provide a Tourism Plan for Route 53 in Will County, Illinois - a 25-mile corridor just south of Chicago that includes portions of historic Route 66. The plan addressed the incorporation and enhancement of business, tourism, and environmental concerns into a cohesive document that helped establish this corridor as a destination. The plan was adopted by the County and subsequent municipalities and will be utilized to help guide development in the corridor. We analyzed the existing and potential hospitality and visitor-related assets for the tourism plan. Our team included architects, urban planners, and traffic consultants. Our report was provided in 2013.

**Confidential, Virginia
Family Entertainment
Development**



A private hotel entity "(Client)" engaged HVS Convention, Sports & Entertainment to conduct an analysis of a proposed entertainment development in Virginia. The proposed Family Entertainment Center could enhance the demand potential of leisure and tourism visitation for their hotels and allow it to compete more effectively for tourism room nights. The client was seeking ways to extend guests' stays and increase annual room nights, especially during shoulder months. A Family Entertainment Center combines a set of attractions to create a destination appeal. Like a small-scale amusement park, these venues typically carry games and activities that can attract a range of ages from children to teenagers, and occasionally adults. These establishments can generate significant revenue through a food and beverage operation. HVS studied the feasibility of a Family Entertainment Center and determined its impact on the rate and occupancy of the existing hotels. The study included a market and demand analysis, site analysis,

and feasibility analysis, as well as the development's impact on the existing hotel performance.

Chicago, Illinois
Navy Pier Economic Impact



HVS was hired by Navy Pier Inc. to provide an Economic Impact Analysis of planned pier improvements. The improvements are planned over 2 phases and include enhancements to current offerings at the Pier as well as new facilities and events. HVS analyzed historical usage and visitation to the Pier and provided forecasts of future visitation/attendance to the Pier based on changes. We analyzed Navy Pier spending based on customer survey data and breakdowns of Navy Pier revenues by source. We then provided estimates of the type and amounts of off-pier spending, which serves as the basis for the economic impact estimates. We projected direct impacts (new spending by impact generators), indirect impacts (business purchases related to spending), and induced impacts (personal income related to spending.) HVS also provided a fiscal impact analysis, estimating annual new tax revenue generated by the project for the City, County and State governments. HVS analyzed the impact of the Pier on 11 tax sources.

Banff, Alberta
Banff Gondola Attraction



HVS provided an analysis of a re-development of the upper terminal facilities at the Banff Gondola Attraction. The goal of the redevelopment was to allow for incremental revenue generating opportunities. Existing facilities include a gift shop, snack shop, cafeteria, and restaurant. The development plans may include expansion to include event space, retail and food and beverage. HVS developed a business plan for new facilities to validate the required capital expenditure. HVS analyzed market and tourist visitation data and researched comparable attractions. HVS analyzed and provided recommendations on food and beverage, group meeting/event, and retail opportunities. This research allowed us to model and project the demand and financial operations of the planned upper terminal facility improvements.

Wichita, Kansas
Wichita Aquatic Center and Sports Complex



In 2015, Iberia Bank hired HVS to conduct an appraisal of the proposed Crowne Plaza Hotel, Aquatic Center and Sports Complex in Goodard, Kansas. The project is anticipated to include a 141-room hotel with 5,400 square feet of meeting and banquet space, an 8 lane Olympic-sized competition pool, a 6-lane training pool, and a baseball complex with four regulation fields, and associated amenities. As part of the appraisal analysis, HVS Convention, Sports & Entertainment estimated the event demand from the Aquatic Center and Sports Complex, as well as projected room nights generated from that demand by type of event and month.

Our analysis provided a combined financial proforma for all the elements of the development. In 2016, HVS was asked to update our report for financing purposes.

**Chandler, Arizona
Rawhide Theme Park**



The Wild Horse Pass Development Authority (the "Authority") was considering the purchase and relocation of the existing theme park named Rawhide Western Town & Steakhouse ("Rawhide") to the Gila River Indian Community in Chandler, Arizona. The Authority manages Wild Horse Pass - a 2,400-acre master planned development area - for the Gila River Indian Community. The Authority was considering making a bid for the attraction and relocating it. To inform their decisions, the Authority retained HVS Convention, Sports & Entertainment Facilities Consulting ("HVS") to estimate the value of Rawhide under several scenarios. HVS provided a thorough analysis of market conditions, comparable facilities, attendance data, and financial operations for Rawhide, as well as a valuation estimate for the property. Estimation of value also included analysis of the impact of the theme park on existing community assets including: a casino, a hotel resort and spa, equestrian center, and golf resort.

**Mammoth Lakes,
California
Mammoth Lakes
Events Center**



The Town of Mammoth Lakes, California engaged HVS Convention, Sports & Entertainment Facilities Consulting to conduct a market study for the development of outdoor entertainment and cultural event facilities in Mammoth Lakes. The purpose of this study was to assess the events market, analyze potential sites for the proposed facilities, and project future demand. Mammoth Lakes seeks to foster economic development through the expansion of the events industry in Mammoth Lakes. HVS provided the feasibility study, including facility program recommendations, and demand and financial operating projections, as well as a site analysis on 13 site possibilities.

**Colorado Springs,
Colorado
Proposed Sports and
Event Center**



HVS Convention, Sports & Entertainment conducted an independent market and feasibility analysis of the development of a Sports and Event Center in Colorado Springs, Colorado for Colorado Springs Forward. The proposed Sports and Event Center could provide multiple benefits to Colorado Springs, supporting the City's sports tourism efforts and providing an event venue for the National Governing Bodies for Olympic sports headquartered in the City. The Sports and Event Center could also provide a modern, downtown venue for the City's professional sports teams. HVS studied both indoor and outdoor multi-purpose events, as well as development of a professional minor-league stadium. We are providing the

following analysis for the potential venues in the development: event demand and attendance projections, a comprehensive operating financial statement, economic impacts, and operating and financing options. HVS submitted its report in February 2017.

Indianapolis, Indiana Outdoor Amphitheater



A private developer hired HVS to provide a feasibility study of an amphitheater development in Indianapolis. The proposed site is a near Lucas Oil Stadium in downtown Indianapolis and is part of the RACER (Revitalizing Auto Communities Environmental Response) Trust, a trust established to revitalize former GM locations. The developer intended to own and operate the facility, planned to include 16,000-18,000 seats. A feasibility study was required for planning and financing purposes. HVS provided the feasibility study, including demand and financial operating projections, as well as financing strategies and a return on investment analysis.

REFERENCES

We encourage the City of St. Charles to contact our clients listed below. HVS provides objective and valuable advice, which is the reason our clients are satisfied and many of them engage us for multiple projects.

Project: Loveland RTA Project Analysis – WhiteWater River Attraction

Ms. Betsey Hale
President, Former Economic Development Director, City of Loveland
Three Rivers Development Corporation
19 East Market Street, Suite 201
Corning, NY 14830
607-962-4693
bhale@3riverscorp.com

Project: Eastern Kentucky Tourism Study Destination Resort and Tourism Assessment

Mr. Dave Adkisson
President & CEO
Kentucky Chamber of Commerce
464 Chenault Road
Frankfort, Kentucky, 40601
502-695-4700
david@kychamber.com



Convention, Sports & Entertainment
Facilities Consulting
Chicago, Illinois

Project: Mammoth Lakes Entertainment and Cultural Event Facilities

Mr. Stuart Brown
Director
Town of Mammoth Lakes
437 Old Mammoth Road
Mammoth Lakes, California 93546
760-934-8989
sbrown@ci.mammoth-lakes.ca.us

2. Approach and Methodology

Understanding of the Assignment

The City of St. Charles, IL seeks an analysis of the impact and benefits of several potential new attractions along the Fox River. In 2015, the River Corridor Foundation, in partnership with the City of St. Charles and the St. Charles Park District, spearheaded an update to the Fox River Corridor Master Plan. This plan provided a conceptual framework for increased utilization of the Fox River through the creation of unique attractions. The City is interested in defining the economic impact and benefits to determine the return on investment for these potential attractions.

Approach to the Scope of Services

We designed our scope of services to meet your goals and allow us to provide our findings and recommendations according to schedule. The figure below summarizes the tasks involved in our proposed scope of services.

SUMMARY OF THE SCOPE OF SERVICES

Task	Description
Phase 1	
1	Project Orientation and Fieldwork
2	Market Assessment
3	Interviews
4	Participation Trends
5	Comparable Venue Analysis
6	Building Program Review and Recommendations
7	Demand and Attendance Projections
8	Hotel Room Night Projections
9	Interim Workshop
10	Financial Projections
11	Economic and Fiscal Impact Analysis
12	Cost Benefit Ranking
13	Reporting

HVS will conduct the following analysis on all attractions outlined in the RFQ:

- Riverpark Concept
- Riverpark Concept Alternative
- River Walk and Connectivity
- Bridgeview
- Recreational Assets
- Cultural Assets

**Task 1:
Project Orientation and
Fieldwork**

We will meet with you and/or your representatives to discuss our study in more detail and to formulate a schedule for performing the engagement. At this time, we will gather any information from you that may assist us in performing this assignment, including data and key contacts. We will conduct interviews with business and government representatives, collect statistical data, and investigate the market area. During our initial visit HVS will:

1. Meet with client representatives to discuss the goals of the project and the parameters our analysis;
2. Tour the sites, downtown, and surrounding area;
3. Obtain previous studies and reports relevant to this project;
4. Assess the site potential for access and the supportive nature of surrounding land uses as they relate to the facility;
5. Gather statistical data relating to general economic and demographic trends that indicate future demand potential;
6. Identify existing venues in the market area and plans for expansions, upgrades, or new facilities; and
7. Gather data and research on revenue and expense factors relating to local conditions such as rental rates, food and beverage revenue, labor costs, energy rates, and other factors.

**Task 2:
Market Assessment**

HVS will assess key market variables and economic data, culminating in an analysis of the following:

- Local area conditions
- Demographic and economic characteristics
- Work force characteristics
- Projected economic growth
- Business climate and major employers
- Corporate presence
- Colleges and universities
- Sport and event facilities
- Arts, culture, and entertainment
- Leisure and tourism and future expected trends
- Proposed development initiatives

The resident population surrounding an attraction facility is an important indicator of demand potential for all types of usage. Drive times, access to public transit, and overall accessibility of a venue are good indicators of potential patronage. The success of a recreational and sports facility lies in its ability to

develop programming that appeal to a broad cross-section of the marketplace. A market's age distribution can be a decisive factor in determining potential event demand and provide insight into the types of events and programs that the market will support. HVS will assess the economic and demographic characteristics of the local population in terms of these factors.

Because tourism visitation is critical to the analysis of potential demand for the proposed attractions, HVS will gather visitor statistics from local tourism. HVS will assess historical and future trends. Key market variables and economic data would include:

- Trends in market-wide visitation and its relationship to overall economic conditions and per-capita spending for visitors
- Demographic and economic characteristics of visitors
- Geographic sources of visitation
- Means of transportation
- Seasonal patterns of visitation
- Hotel supply and demand
- Proposed development of new tourism amenities in area
- Comparison with other tourism destinations
- Future expectation for growth in tourist visitation

This tourism analysis will provide a basis for estimating the market penetration of the proposed attractions.

Task 3: Interviews

HVS will interview key informants to better assess the future demand levels of the proposed Whitewater Park project. HVS may interview the following:

- Representatives of the City of St. Charles and the Greater St. Charles CVB to gather data related to visitors and trends.
- Business and government officials to collect and discuss relevant market data.
- Local tourism, chamber of commerce representatives, economic development agencies and other related organizations, to gather information about future economic growth, stability, or decline.
- Event promoters/planners that are active in the market to solicit their views on the proposed attractions.
- Representatives of kayaking, rafting, paddle board and related associations that may plan or sponsor competitions and events. We will seek information the potential utilization of the proposed facility.

- Persons representing other possible local demand sources to discuss their potential utilization of the venue.

**Task 4:
Participation Trends**

HVS will research participation trends in the three primary water activities taking place at whitewater parks: kayaking, rafting, and stand-up paddling. This analysis will provide background information necessary to assess the demand potential of the proposed Riverpark in St. Charles. For this analysis, HVS will utilize a variety of data sources, including the 2017 survey of outdoor sports participation conducted by the Outdoor Foundation and a 2015 survey of paddlesport participation also conducted by the Outdoor Foundation in association with The Coleman Company, among other sources.

**Task 5:
Comparable Facilities**

HVS will analyze comparable river-based recreation facilities and attractions. Facility attributes to be compared include:

- Facility size, amenities, and overall quality,
- Unique destination appeal and theme characteristics,
- Numbers and types of sports/recreation uses,
- Levels of event demand and other performance variables,
- Attendance data by event type and demand segment,
- Pricing strategies and schedules for entry or per use of amenity,
- Data for other events held at the venues,
- Other operational characteristics as available,
- Marketing resources, and
- Other factors that may affect each facility's demand potential.

**Task 6:
Building Program
Review and
Recommendations**

HVS will review the existing development plans and provide recommendations based on our market research, user interviews, input from facility operators, and what we learn in our evaluation of comparable facilities, which will culminate in facility recommendations that may be appropriate for St. Charles.

**Task 7:
Demand and
Attendance Projections**

HVS will quantify the attendance and event demand for the proposed attractions from opening through a stabilized year of demand. HVS will conduct a market segment/attendance origins analysis in order to define the potential market segments for the attractions, to include overnight stays, local resident, and visitor markets.

HVS will provide the attendance/demand for a ten-year projection period. We will estimate potential future attendance for the attractions, including early year and stabilized attendance.

**Task 8:
Room Night
Projections**

HVS will estimate the number of attendees that would require overnight stays in the local market and the number of room nights generated. Our analysis will provide room night projections through a stabilized year of demand.

**Task 9:
Interim Findings
Workshop**

Upon completion of the above market and demand analysis, HVS will hold a workshop with client representatives to present and discuss our initial findings and recommendations. Assuming that the recommendations are positive and that a consensus is reached, HVS will proceed with following analysis.

**Task 10:
Financial Projections**

HVS uses sophisticated and proprietary software, the HVS CSE Venue Model© (the "Venue Model") to model venue/attraction financial operations. The HVS Model is a Microsoft Excel based program that facilitates the analysis and presentation of facility demand and financial projections. The Venue Model is extremely flexible, allowing the user to specify the appropriate building program, event types and characteristics, financial parameters, and revenue and expense line items that uniquely describe the operations of any public assembly venue. It produces forecasts of demand and financial operations for a ten-year period.

HVS will incorporate demand, revenue, and expense assumptions into the Venue Model to reflect the recommended improvements and their demand and operating implications. HVS enters the estimated number of events and average attendance by type of event into the operating Venue Model, which produces estimates of revenue and expense annually over the projection period. The description of financial projections will include a detailed line-by-line account of all revenue sources and expenses. The forecast of financial operations covers the same five-year period as the demand projections.

**Task 11:
Economic and Fiscal
Impact Analysis**

The key to an accurate impact analysis is to estimate the net new activity in St. Charles caused by the development of the proposed attractions. HVS uses the HVS CSE Impact Model© (the "Impact Model"). The Impact Model allows the user to input spending estimates that reflect the levels of spending that are unique to the local community. HVS will measure the new visitation to the community and the resulting new economic impacts.

HVS will calculate the associated spending and measure the following types of new spending impacts:

- Overnight visitor spending
- Day visitor spending
- Event organizer spending

HVS will estimate the following types of spending impacts in the analysis:

- **Direct impacts** include the visitor expenditures, payroll, and employment resulting from the events and operations occurring at the venue.

- **Indirect impacts** are the supply of goods and services resulting from the initial direct facility-related spending.
- **Induced impacts** represent the change in local consumption due to the personal spending by employees whose incomes are affected by direct and indirect spending.

HVS will use the IMPLAN input-output model to estimate indirect and induced impacts. IMPLAN is a nationally recognized model commonly used to estimate economic impacts. An input-output model generally describes the commodities and income that normally flow through the various sectors of the economy. The indirect and induced expenditure, payroll, and employment effects result from the estimated changes in the flow of income and goods caused by the projected direct impacts. IMPLAN data are available by state, county, and zip code levels.

Fiscal impacts represent the incremental tax revenue collected by the City associated with the net new spending related to the activity at the proposed property. For example, our analysis estimates the hotel tax revenue from an overnight stay and considers this a fiscal impact. HVS will gather data from the municipality on tax rates. Combining this tax rate information with our spending projections, HVS will estimate the impact on a variety of state and local taxes, including sales, income, hotel, food & beverage, car rental, property, and others as applicable. The analysis will result in an estimate of new tax revenue associated with the project in inflated dollars for a stabilized year of demand.

Task 12: Cost Benefit Ranking

HVS assumes that building cost estimates will be provided by client architects. We will provide a cost benefit ranking based on which attractions will generate a positive value proposition when comparing the anticipated capital costs of the improvement to the increase in interest in visitors/tourism, redevelopment opportunities, and tax generation (i.e. which proposed improvement will create the most interest in redevelopment and tourism for the lowest cost).

Reporting

Before our initial fieldwork, we will provide a detailed information request letter, establish an agenda for a project kick-off meeting, and schedule all other necessary meetings. After completion of the market and demand analysis, we will issue a draft report and convene an in-person meeting to discuss our interim findings. We make any necessary adjustments to the remaining scope of work. Upon completion of our study, we will submit a draft report and convene an in-person meeting to discuss our findings. We will provide a fully-documented narrative report that will explain our findings, assumptions, and recommendations. Reports will be provided electronically in PFD format.

3. Timeline

We propose a 12-week schedule, beginning from the date of our fieldwork. The figure below illustrates our proposed schedule. We are available to begin the project on July 16, 2018 and commit to completing the analysis by the end of September 2018.

PROPOSED SCHEDULE

Task Description	W-1	W-2	W-3	W-4	W-5	W-6	W-7	W-8	W-9	W-10	W-11	W-12
Project Orientation and Fieldwork	M											
Market Assessment												
Interviews												
Participation Trends												
Comparable Venue Analysis												
Building Program Review and Recommendations						CC						
Demand and Attendance Projections												
Hotel Room Night Projections												
Interim Workshop								M				
Financial Projections												
Economic and Fiscal Impact Analysis												
Cost Benefit Ranking												
Reporting											CC	DR, M

M = Meeting
CC = Conference Call
DR = Draft Report

4. Fees

We propose to perform the scope of services presented in the proposal for a fee of \$72,000. A retainer of \$18,000 will be due upon authorization to proceed. After this initial payment, you will be invoiced monthly for fees based on the percentage of work completed and for the expenses incurred during the previous month. The final balance of fees and expenses is due upon receipt of the draft report. All outstanding invoices must be paid in full before delivery of report products.

In addition to the fees presented above, you agree to reimburse us for reasonable out-of-pocket expenses incurred on your behalf. We will bill expenses at cost. Expenses will include all travel related expenditures for 5-person trips, the cost of all data from third-party data sources including ESRI (\$350), STR (\$450), and IMPLAN (\$1,200-\$2,000 depending on impact area) data, and the production of presentation materials and reports. We do not expect expenses to exceed \$5,500.

Rates

The following are our hourly rates for HVS staff for services requested outside our scope of services:

HVS HOURLY RATES

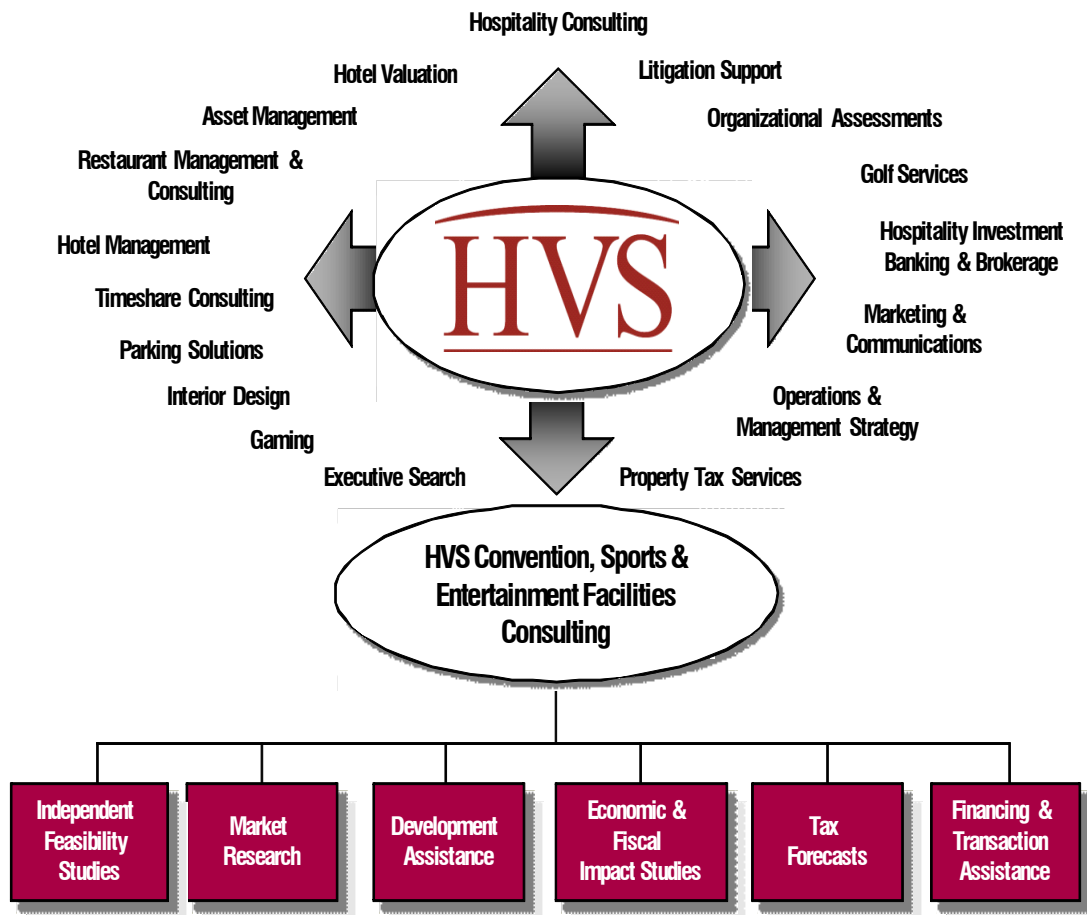
Position	Hourly Rate
Managing Director	\$350
Senior Director	\$300
Director	\$250
Project Manager	\$200
Associate	\$150
Staff	\$90



5. Additional Information

Included in this section are firm qualifications materials, including resumes and project information.

HVS CONVENTION, SPORTS, & ENTERTAINMENT FACILITIES CONSULTING, A DIVISION OF HVS GLOBAL HOSPITALITY SERVICES BASED IN CHICAGO, ILLINOIS, PROVIDES INDEPENDENT AND OBJECTIVE ECONOMIC AND FINANCIAL CONSULTING AND ADVISORY SERVICES TO PUBLIC AGENCIES AND PRIVATE DEVELOPERS OF CONVENTION, SPORTS, AND ENTERTAINMENT FACILITIES. OUR STAFF IS DEDICATED TO HELPING IMPLEMENT YOUR PROJECTS BY PROVIDING RIGOROUS ANALYSIS DURING THE PLANNING PROCESS AND EXPERT ADVICE ON DEVELOPMENT DECISIONS.



HVS Convention, Sports & Entertainment is a division of HVS International, a global consulting firm serving the needs of the hospitality and tourism industries. HVS has the expertise and capacity to plan, study, and implement large mixed use real estate projects anywhere in the world.

The specialized staff of HVS Convention, Sports, & Entertainment Facilities Consulting has performed over 350 assignments analyzing the feasibility of convention centers, headquarters hotels, stadiums, arenas, civic centers, motorsports facilities, tourism attractions, fairgrounds, water parks, and other economic development initiatives. We can serve our client from the early planning stages through financing and implementation of our projects. Our studies often appear in municipal bond offering statements. Rating agencies, bond insurers, and investors rely on our studies for independent and objective assessment of the costs, benefits and risks of real estate development. We specialize in planning and negotiating public/private partnerships and are one of the few firms that understand both the public and private sides of development issues.

Our Clients

- Public Facility Authorities
- Planning Departments
- Convention and Tourism Agencies
- Non-Profit Groups
- Private Developers
- Economic Development Agencies
- Municipal Finance Departments
- Lenders, Investment Banks
- Non-Governmental Entities involved in Publicly Supported Development Projects

Types of Services

Independent Feasibility Studies

- Independent and expert opinions on project feasibility
- Studies used to support project financing
- Reports are available to use in municipal bond offering statements, public offering documents and private placement memorandums
- Financial modeling
- Extensive experience in presenting studies to policy makers and to the investment community

Market Research

- Analysis of the relationship between the economics and demographics of a community and its proposed development initiative
- Extensive databases on comparable facilities
- Variety of survey and interview techniques targeted to potential users

Development Assistance

- Business and financial plan creation
- Market-based building program plans and development
- Development of team solicitation and selection
- Development and operating agreement negotiation
- Market strategies development
- Familiarity with all phases of the development process, including the early phases of project conceptualization, physical planning, deal structuring, project delivery and operations

Economic & Fiscal Impact Studies

- Use of proven methodologies for estimating economic and fiscal impacts for public development initiatives
- Sophisticated economic "input/output models" for estimation of the potential for induced and indirect project impacts
- Fiscal impact analysis to measure the benefit of new tax revenue generated by the project

Tax Forecasts

- Accurate forecasting of public economic development projects revenues for creating and implementing a financial plan
- Forecasts of sales, income, property, hotel occupancy, auto rental, and food and beverage taxes, as well as numerous other taxes that support publicly financed projects
- HVS understands the market fundamentals and economics that drive the underlying tax base

Financing & Transaction Assistance

- Financial debt capacity analysis
- Structure and develop financing plan
- Prepare, structure, and negotiate transaction documents



CONVENTION, SPORTS
& ENTERTAINMENT
FACILITIES CONSULTING



Thomas Hazinski

MANAGING DIRECTOR

Thomas A. Hazinski has 25 years of experience in the public policy arena, as a public official and as a consultant. He specializes in providing economic and financial research to public agencies and private developers involved in economic development initiatives. For twenty years, Hazinski has specialized in the analysis of convention, sports and entertainment markets and the associated real estate developments. In January 2000, he started the Chicago office of HVS as its Managing Director.

Formerly, Mr. Hazinski served as Senior Vice President of C.H. Johnson Consulting, Inc., a firm that specialized in market analyses and feasibility studies for convention, sports, hospitality, and entertainment facilities. Mr. Hazinski has managed up to 25 engagements each year helping many of his clients to successfully plan and finance their projects.

Mr. Hazinski has studied and helped to implement convention center and hotel initiatives in major U.S. markets such as New York, Chicago, Baltimore, Raleigh, Nashville, New Orleans, Seattle, Bellevue, Oklahoma City, San Antonio, Boston, New York, Austin, Kansas City, and Portland, OR. His sports facility project experience includes Miller Park in Milwaukee, WI; the BI-LO Arena in Greenville, SC; the Citadel Stadium in Charleston, SC; the Centennial Arena in Raleigh, NC; Lambeau Field in Green Bay, WI; and various other stadium, arena and motorsports facilities. His performing arts facility project experience includes the Milwaukee Theater; the Long Center for the Performing Arts in Austin, Texas; and arts venues in Little Rock, Amarillo, Farmington, New Mexico, and Salt Lake City.

Internationally, he has worked on convention center and/or mixed-use resort projects in Berlin, Cairo, Copenhagen, Geneva, Mexico City, Sydney, Melbourne, and other cities in India, Thailand, South Africa, and the Philippines. He has worked on mixed-use resort, casino, entertainment and convention center developments in Ireland, Macau, Singapore, and Madrid.

Before starting his consulting career, Mr. Hazinski served in government positions dealing with various aspects of municipal finance. Formerly Assistant Budget Director for the City of Chicago, he managed the City's revenue analysis unit and was responsible for revenue estimation, legislative review and fiscal impact analyses for numerous city projects. Mr. Hazinski also served as the Assistant Commissioner of the Department of Aviation for the City of Chicago, where he coordinated the completion and opening of the new International Terminal at O'Hare Airport.

Tom holds a Masters Degree in Public Policy from the Harris School of Public Policy at the University of Chicago, where he specialized in municipal finance. He completed four years in the post-graduate degree program, including doctoral course-work, before leaving to pursue active management. He has lectured at DePaul University in the Masters of Public Services Program, teaching a course entitled "Financial and Economic Foundations of Public Service."

Consulting Experience

- Managing Director, HVS Convention, Sports & Entertainment Facilities Consulting
- Senior Vice President, C.H. Johnson Consulting, Inc.
- Vice President, Midwest Management Consultants

Government Experience

- Assistant Budget Director for Revenue Analysis, City of Chicago
- Assistant Commissioner of Aviation and International Terminal Manager
- Revenue Analysis, Chicago Park District

Academic Background

- M.A. Public Policy Studies, University of Chicago
- B.A. University of Wisconsin - Madison
- Lecturer, DePaul University

TOURISM ASSESSMENT, SOUTHEASTERN KENTUCKY



Client: Kentucky Chamber of Commerce Foundation
Project Type Market and Demand Analysis
Years of Service 2017

The Kentucky Chamber of Commerce Foundation engaged HVS to conduct a tourism assessment of southeastern Kentucky, evaluating the existing tourism amenities and the potential of a new destination resort and other potential attractions. HVS assessed the local market and gathered data on tourism and travel trends for the Eastern Kentucky region. We assessed comparable destination resorts and tourism-based communities and provided a recommended program for the resort, including demand and room night projections. Our analysis also included evaluation of other potential land uses to complement the proposed resort. Our analysis evaluated three sites and identified potential funding sources.

NAVY PIER IMPACT ASSESSMENT, CHICAGO



Client: Navy Pier Inc.
Project Type Economic Impacts
Years of Service 2013

HVS was hired by Navy Pier Inc. to provide an Economic Impact Analysis of planned pier improvements. HVS provided forecasts of future visitation/attendance to the Pier based on the planned changes. We analyzed Navy Pier spending data and breakdowns of Navy Pier revenues by source, and provided estimates of the type and amounts of off-pier spending, which served as the basis for the economic impact estimates. We projected direct impacts (new spending by impact generators), indirect impacts (business purchases related to spending), and induced impacts (personal income related to spending.) HVS also estimated annual new tax revenue generated by the project for the City, County and State governments. HVS analyzed the impact of the Pier on 11 tax sources.

BANFF GONDOLA ATTRACTION, BANFF, ALBERTA



Client: Confidential
Project Type Feasibility Study
Years of Service 2014

HVS provided an analysis of a re-development of the upper terminal facilities at the Banff Gondola Attraction. The goal of the redevelopment was to allow for incremental revenue generating opportunities. Development plans included expansion to include event space, retail, and food and beverage. HVS developed a business plan for new facilities to validate the required capital expenditure. HVS analyzed market and tourist visitation data and researched comparable attractions and provided recommendations on food and beverage, group meeting/event, and retail opportunities. This research allowed us to model and project the demand and financial operations of the planned upper terminal facility improvements.

HUBBARD STREET DANCE, CHICAGO



Client: Hubbard Street Dance Chicago
Project Type Market Assessment and Recommendations
Years of Service 2017

Hubbard Street Dance Chicago hired HVS to assess ways to attract and increase the number of income-generating activities at the Hubbard Street Dance Center (“Dance Center”). The Dance Center would expand capacity to serve arts groups and the health and wellness needs of the local arts community. HVS provided analysis of the current and future needs of facility users and recommend redevelopment alternatives. The study included demand and financial projections. The goal was to determine the best path for future development that allows Hubbard Street, as well as the arts community, to continue to thrive and grow.

NATIONAL MUSEUM OF AFRICAN AMERICAN MUSIC, NASHVILLE



Client: African American History Foundation of Nashville, Inc.
Project Type Economic Impacts
Years of Service 2013 - 2017

The African American History Foundation of Nashville, Inc. engaged HVS to conduct an Economic Impact Study of the proposed National Museum of African American Music (“NMAAM”). HVS provided an independent assessment of the demand potential of the proposed museum and projected the corresponding economic and fiscal impacts to the City of Nashville and the State of Tennessee. The planned 67,000 square foot NMAAM will stand as a global center that recognizes the contributions African Americans have made in creating 50 musical genres. HVS was asked to update our impact analysis in 2014, 2015, and 2017, as development of the NMAAM proceeded through approvals. The project is under construction, expected to open in 2019.

RAWHIDE WESTERN TOWN THEME PARK, CHANDLER, ARIZONA



Client: Wild Horse Pass Development Authority
Project Type Feasibility and Valuation
Years of Service 2006

The Wild Horse Pass Development Authority (“Authority”) was considering the purchase and relocation of the existing theme park named Rawhide Western Town & Steakhouse (“Rawhide”) to the Gila River Indian Community in Chandler, Arizona. The Authority managed Wild Horse Pass - a 2,400-acre master planned development area - for the Gila River Indian Community. To inform their decisions, the Authority retained HVS to estimate the value of Rawhide under several scenarios. HVS provided an analysis of market conditions, comparable facilities, attendance data, and financial operations for Rawhide, as well as a valuation estimate for the property. Estimation of value also included analysis of the impact of the theme park on existing community assets including: a casino, a hotel resort and spa, equestrian center, and golf resort.



**Economic Impact and Cost Benefit Analysis
St. Charles, Illinois
October 8, 2018**



Presenting HVS Staff



Tom Hazinski, MPP

- Over 25 years experience in public policy
- Worked on over 400 assignments that involve public facilities
- Specialized experience in financial analysis
- MA in Public Policy Studies from the University of Chicago
- Extensive experience analyzing visitor attractions and hospitality developments

Other Key HVS Consultant



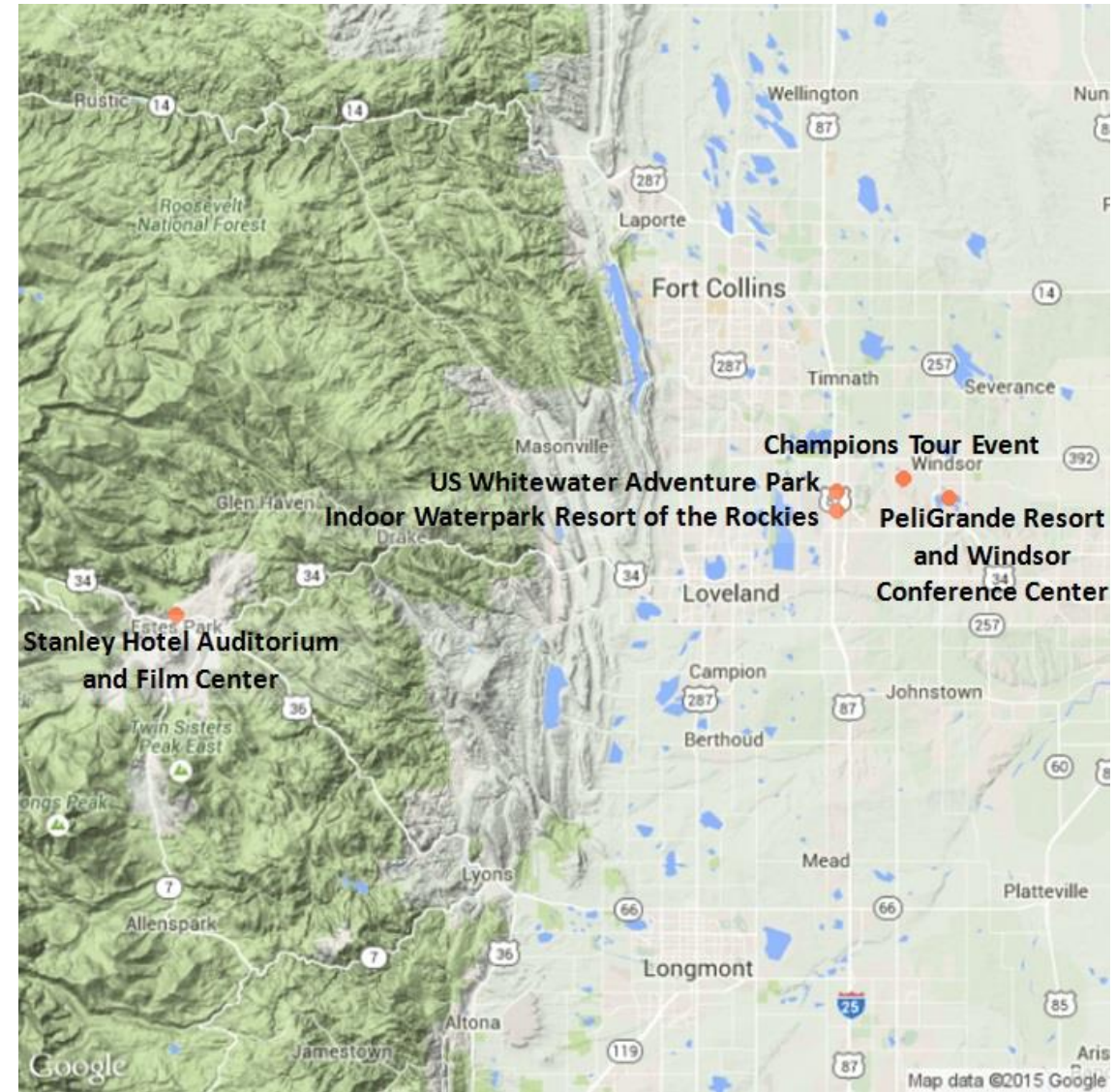
Catherine Sarrett, MBA

- Over 20 years experience analyzing event, sports, and attraction venues
- Specializes in feasibility and economic impact analysis
- Operations experience as owner's representative during development of the Wells Fargo Center
- MBA from the Wharton School of the University of Pennsylvania

Boathouse District Oklahoma City, OK



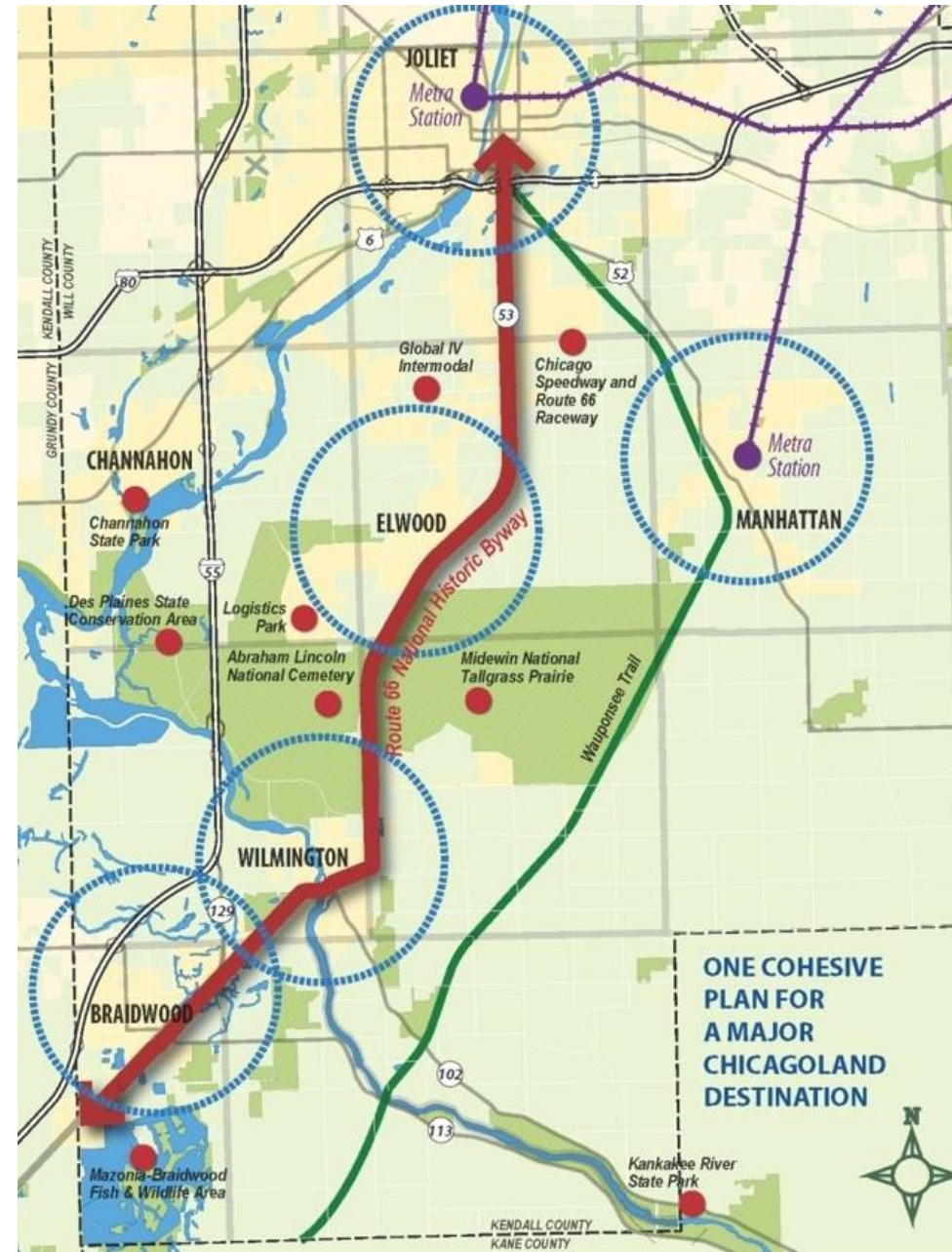
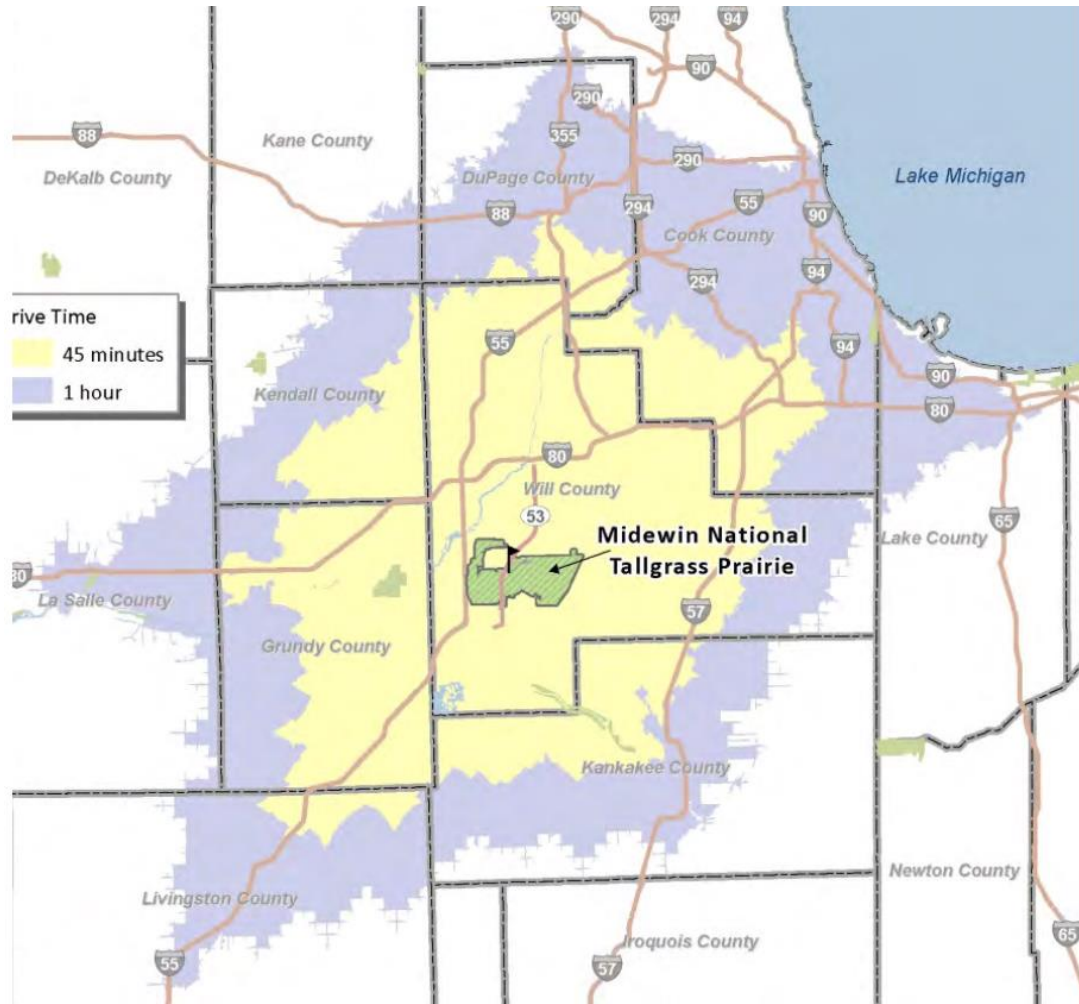
Tourism Opportunities Assessment Loveland, CO



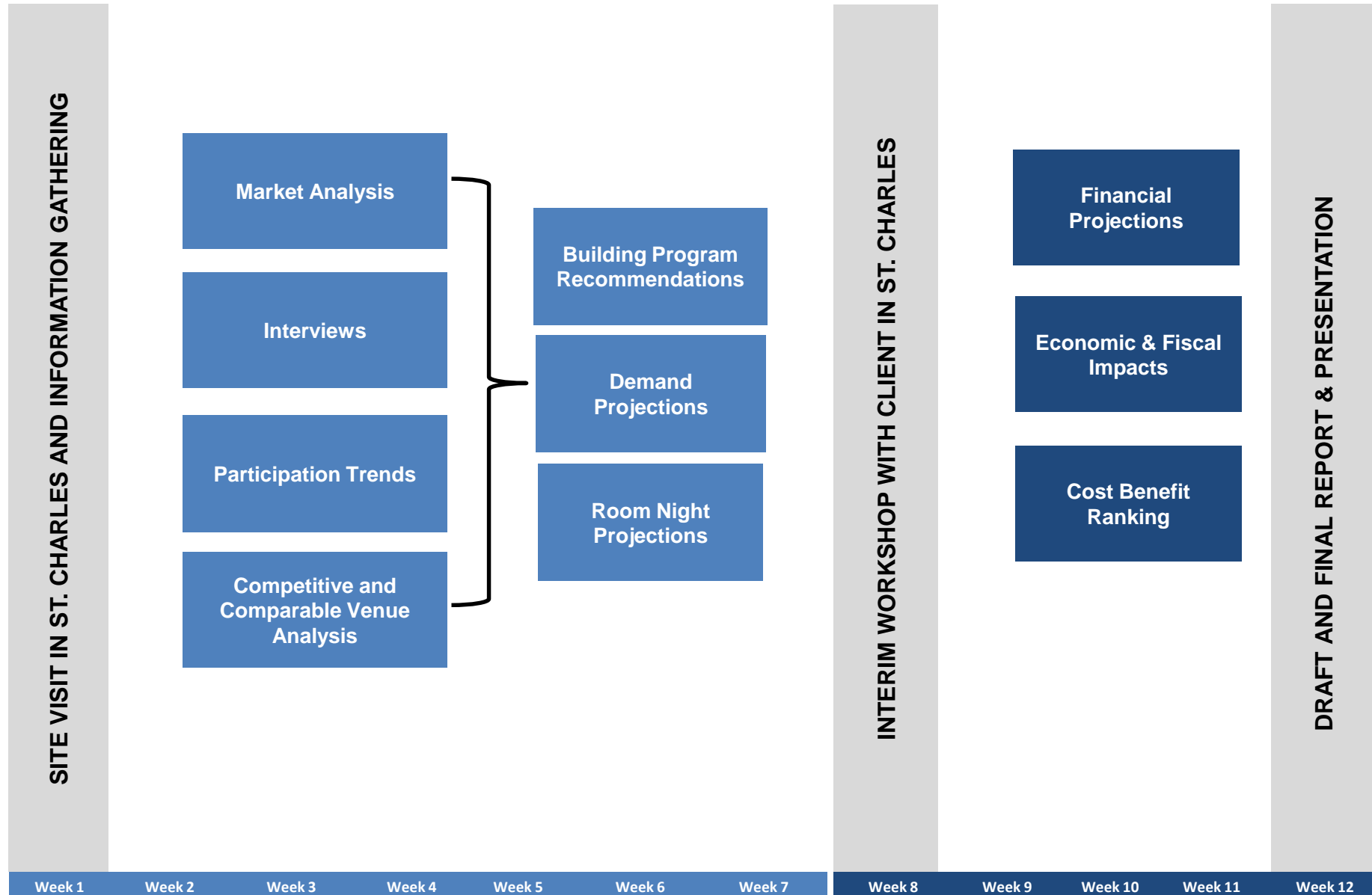
Tourism Opportunities Comprehensive Plan, Ottawa, Illinois



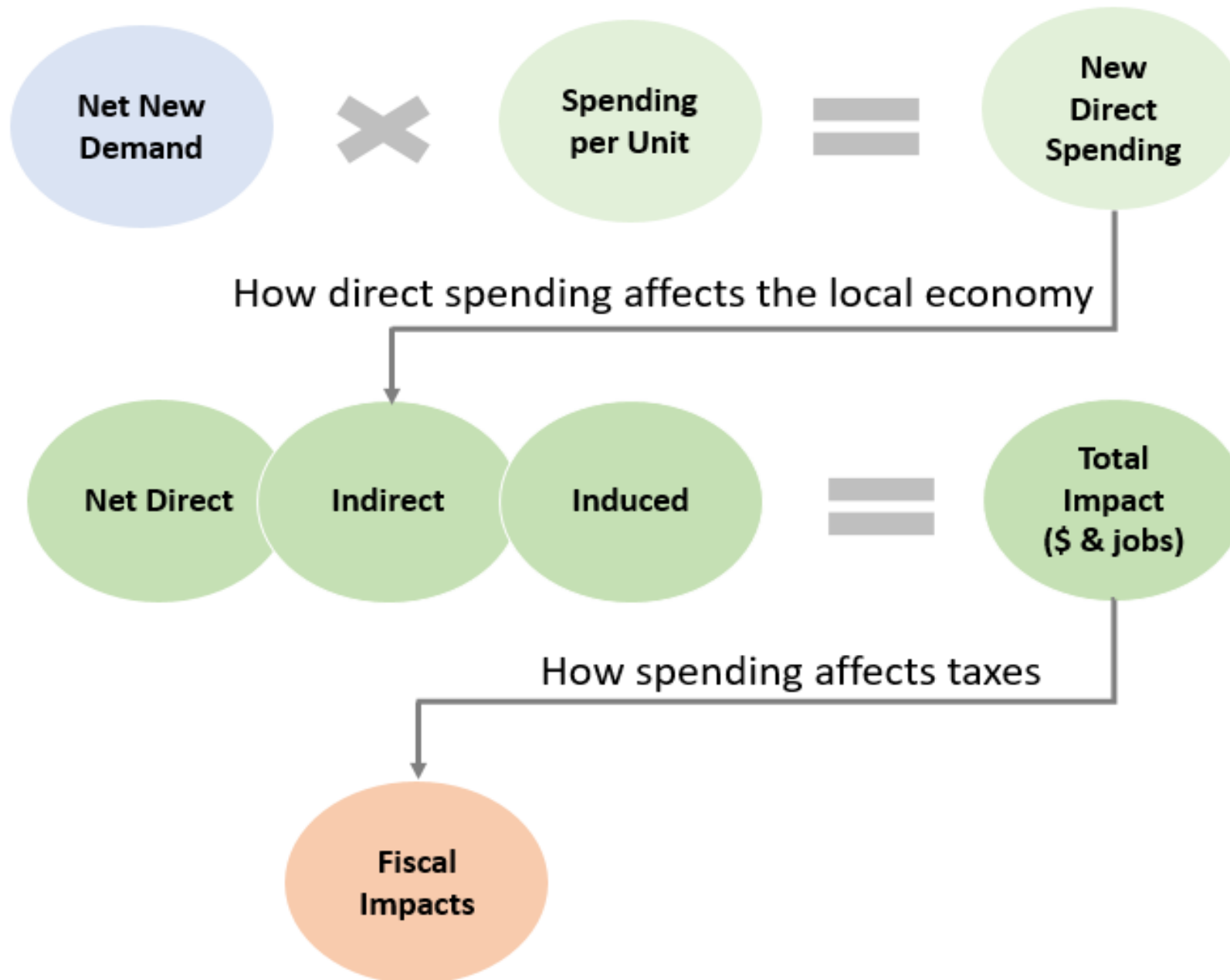
Route 53 Corridor Tourism Plan Illinois



Approach to the Scope of Services



Economic Impact Methodology

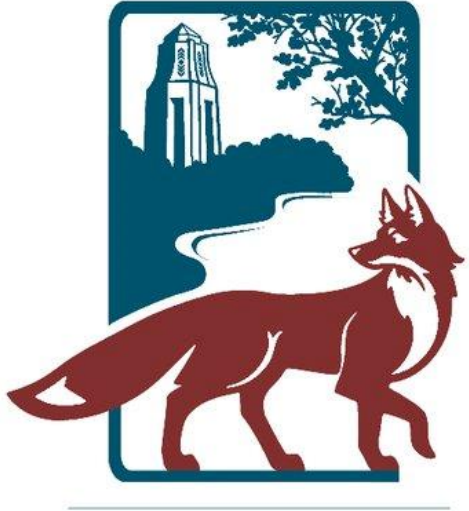


Study Schedule

Task Description	W-1	W-2	W-3	W-4	W-5	W-6	W-7	W-8	W-9	W-10	W-11	W-12
Phase 1 - Market and Demand Assessment												
Project Orientation and Fieldwork	M											
Market Assessment												
Industry Trends												
Participation Trends												
Interviews												
Comparable and Competitive Facilities												
Building Program Recommendations												
Demand and Attendance Projections												
Site Selection												
Interim Findings Conference Call												
Phase 2 - Financial Projections and Feasibility												
Financial Projections												
Ownership and Management Models												
Reporting and Presentation												
Phase 3 - Impact Analysis												
Economic and Fiscal Impact Analysis												
Reporting and Presentation												
Optional Services												
Financing Strategies												

M = Meeting
CC = Conference Call
DR = Draft Report
FR = Final Report

Our Team Offers...



- Commitment to achieving your goals and protecting your financial interests
- Building consensus about the direction of the project
- In depth knowledge of hospitality and visitor industries
- Experience in comparable markets
- Data driven analysis/visionary ideas/successful plans
- Independent analysis with no ongoing interest in the development
- Sophisticated research methods
- Creative and practical solutions

Contact Information

Thomas Hazinski

Managing Director

HVS Convention, Sports and Entertainment Facilities Consulting

312-587-9900 x 11

thazinski@hvs.com